

# City of Sequim 2016 Budget

## Transfers & Interfund Charges



# City Of Sequim Budget Overview Transfers between Funds

## Key Goals

- ❖ Provide a funding source for one-time expense, capital projects, debt payments, operations, etc. within restrictions and regulatory requirements
- ❖ Transfers are appropriately authorized
- ❖ Acceptable audit documentation
- ❖ Transfers “in” and “out” are balanced

Transfers are moneys taken out of one fund and deposited into another to provide funding for a particular activity and are considered “Other Financing Sources and Uses”. Although transfers are budgeted, the amount transferred should only be the amount necessary to complete the activity.

Transfer Report: The top of this Report identifies the receiving fund of the transfer (the use or revenue). The bottom of the report identifies the fund incurring the expense for the transfer out (the source). Significant transfers include: transfers from General Fund to Street Operations, LTGO Debt Service and Equipment Reserves, from Water and Sewer Operations/Restricted to Replacement Reserves, debt service and Street Restricted for utility related road repairs.

DESCRIPTION	Transfer In	Transfer Description
001 General Fund	14,750	From Unemployment Reserve to repay contribution
101 Street Operations	555,000	From General Fund and REET for operations
107 Stormwater Operations	120,000	From Water and Sewer Operations
111 Street Restricted	509,000	From Water and Sewer for utility related road repairs and from REET for projects
117 Stormwater Restricted	66,500	From Water and Sewer Restricted for the project
121 Police Asset Seizure	20,000	From Police Expendable Trust for body cameras
140 Parks Restricted	223,000	From REET for projects and from Parks for debt payments
164 Equipment Reserve	375,172	From General Fund and Street Operations for equipment
206 Debt Service Fund	665,000	From General Fund, REET and Police Restricted (Public Safety Tax) for debt
306 Capital Facilities Fund	205,000	From Water and Sewer for Shop Master Plan and Modular offices and from Hotel/Motel for Guy Cole
411 Water Restricted	1,458,000	From Water Operations to Replacement Reserve and from Water Restricted for projects and debt
422 Sewer Restricted	1,966,332	From Water/Sewer Operations and Sewer Restricted for debt, projects and reserves
500 Unemployment Reserve	16,250	From Sewer and Street Operations for potential unemployment claims
<b>Totals Transfers In</b>	<b>6,194,004</b>	
DESCRIPTION	Transfer Out	
001 General Fund	1,088,675	To Street Operations, LTGO Debt Service and Equipment Reserve
101 Street Operations	48,748	To Equipment Reserve for equipment
115 Lodging Tax Hotel/Motel	35,000	To Capital Facilities for Guys Cole
120 Police Restricted	245,000	To LTGO Debt Service for debt payments
140 Parks Restricted	58,000	To Parks for Keeler debt payments
150 Real Estate Excise Tax	300,000	To Parks and Streets for projects and operations, to LTGO debt service for debt
401 Water Operations	614,250	To Water Restricted for Debt, to Water Replacement Reserve for Projects, to Stormwater for Operations
402 Sewer Operations	869,081	To Sewer Restricted for Debt, to Sewer Replacement Reserve for Projects, to Stormwater for Operations
411 Water Restricted	1,577,750	To Streets for Utility Related road repairs, to Project Stormwater, to Sewer for Debt, to other Water Restricted for projects and reserves
422 Sewer Restricted	1,322,750	To Streets for Utility Related road repairs, to Project Stormwater, to Sewer for Debt, to Sewer Restricted for projects and reserves
500 Unemployment Reserve	14,750	To General Fund to repay contribution
621 Police Expendable Trust	20,000	To Police Asset Seizure for body cameras
<b>Total Transfers Out</b>	<b>6,194,004</b>	

# City Of Sequim Budget Overview Cost Allocations for Interfund Services

## Key Goals

- ❖ Apportion administrative costs to operating funds that are supported by central services
- ❖ Apportion Public Works central services costs to Public Works operating funds and capital projects
- ❖ Acceptable audit documentation

## Cost Allocation Method

The City provides support services to operating units (funds and departments) through the following Central Service Departments (cost centers).

- ❖ City Council (allocations not allowed on Federal Programs)
- ❖ City Administration (City Manager, City Clerk, City Attorney, Communications and Human Resources)
- ❖ Administrative Services (Finance and Information Technology)
- ❖ Public Works Administration (GIS/Engineering, PW Admin, and Facilities Maintenance)
  - The costs in Public Works administration is a mixture of overhead and direct costs of providing services. Since the City is small and employees serve multiple functions, it was easiest to centralize costs and services instead of trying to directly charge them to each public works function or capital project.
- ❖ Non-Departmental (City-wide Expenses)

The allocation base determines how the costs are distributed from the Central Services, also referred to as indirect, administrative, or overhead cost centers, to operating units which provide services directly to customers. The City uses the following allocation bases:

- ❖ Council Agenda items
- ❖ Fund Activity (expenses net of interfund charges, transfers, debt)
- ❖ Number of employees (FTEs)
- ❖ Equipment: IT equipment, vehicles, other equipment maintained by support services
- ❖ Square Footage of office space (owned and leased, public restrooms and other buildings)
- ❖ Insurance Claims to allocate insurance premiums

## 2016 Budget Summary

- ❖ The model was changed in 2015 to eliminate allocations to the Civic Center project - the charge was calculated but not booked due to budget limitations of the project. In 2016, with completion of the Civic Center, we have adjusted the model appropriately. There have also been updates for equipment purchases, square footage, and FTE adjustments. By completing the Civic Center and returning to normalized operations, we anticipate an increase in revenues to the general fund by \$250k.

	General Fund	Streets Ops	R	Stormwater Ops	R	Parks R	Capital Facilities	Water Ops	R	Sewer Ops	R	Totals
<b>REVENUE</b>												
<b>General Fund</b>	2,419,147	-	-	-	-	-	-	-	-	-	-	2,419,147
<b>Total Revenue</b>	2,419,147	-	-	-	-	-	-	-	-	-	-	2,419,147
<b>EXPENSES</b>												
<b>Streets</b>	-	212,122	142,775	-	-	-	-	-	-	-	-	354,897
<b>Storm Water</b>	-	-	-	28,445	23,811	-	-	-	-	-	-	52,256
<b>Parks</b>	-	-	-	-	-	38,815	-	-	-	-	-	38,815
<b>Capital Facilities</b>	-	-	-	-	-	-	52,236	-	-	-	-	52,236
<b>Water</b>	-	-	-	-	-	-	-	431,586	224,711	-	-	656,297
<b>Sewer</b>	-	-	-	-	-	-	-	-	-	1,015,517	249,129	1,264,646
<b>Total Expenses</b>	-	212,122	142,775	28,445	23,811	38,815	52,236	431,586	224,711	1,015,517	249,129	2,419,147

